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REPORT OF THE CHAIRMAN OF THE DRAFTING GROUP TO THE PLENARY

Addendum

91/__. United Nations Capital Development Fund

The Governing Council,

Noting that the call by the Second United Nations Conference on the Least Developed Countries encouraged a 20 per cent increase per annum in the overall funding of the United Nations Capital Development Fund during the 1990s and bearing in mind Governing Council decision 90/34 of 23 June 1990 in which the Council identified, inter alia, poverty eradication and grass-roots participation in development as a priority area for the United Nations Development Programme during the fifth programming cycle,

1. Takes note of the Administrator's biennial report on the United Nations Capital Development Fund (DP/1991/43);

2. Invites the United Nations Capital Development Fund to maintain its present country coverage benefiting first and foremost the least developed countries;

3. Notes that implementation of the present partial funding formula has allowed for higher levels of programming and approves the continued implementation of the formula;

4. Notes the use of the United Nations Capital Development Fund's loan facility and urges the Administrator to continue to use it selectively, according to the specific circumstances of the individual country or project concerned;

5. Requests the Administrator to make a progress report and outline his plans for the future of the facility for presentation to the Governing Council at its fortieth session (1993);

6. Encourages the United Nations Capital Development Fund to continue to foster creativity with a view to enhancing the impact of its activities on the beneficiary countries;

7. Also invites the Administrator in his next report to the Governing Council to address the United Nations Capital Development Fund's experiences with revolving funds and the findings of the study undertaken by the United Nations Capital Development Fund;

8. Urges the Administrator to follow up on the findings of evaluations mentioned in document DP/1991/43 and take all necessary steps to strengthen the capacity of the United Nations Capital Development Fund to deliver the desired level and quality of assistance to lower income groups in recipient countries, including assuring that its project design, review and approval processes are consistent with and appropriate to the Fund's character as a grant capital assistance investment fund;

9. Expresses its appreciation, in the twenty-fifth anniversary year of the United Nations Capital Development Fund, to Governments for the contributions made to the Fund to date and renews its appeal for continued growth in resources.